National Electric Power Regulatory Authority

Islamic Republic of Pakistan

Registrar

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No. NEPRA/R/DG(Trf)/TRF-70/NCPL-2007/ 11320-24 July 28, 2026

Subject: **Decision of the Authority in the Matter of Reimbursement of 7.5% Withholding Tax on Dividends for Nishat Chunian Power Limited**

Dear Sir,

Please find enclosed herewith the subject Decision of the Authority alongwith **Annex-I** (total 02 pages) regarding reimbursement of 7.5% withholding tax on dividends for the period from **July 01, 2026 to June 30, 2027** in respect of Nishat Chunian Power Limited in Case No. NEPRA/TRF-70/NCPL-2007.

2. The Decision is being intimated to the Federal Government for the purpose of notification in the official Gazette pursuant to Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 within 30 Calendar days from the intimation of this Decision. In the event the Federal Government fails to notify the subject tariff Decision within the time period specified in Section 31(7), then the Authority shall notify the same in the official Gazette pursuant to Section 31(7) of NEPRA Act.

Enclosure: **As above**

(Wasim Anwar Bhinder)

Secretary,
Ministry of Energy (Power Division),
'A' Block, Pak Secretariat, Islamabad

Copy to:

1. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad
2. Mr. Shehriyar Abbasi, Deputy Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
3. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad
4. Chief Executive Officer, Nishat Chunian Power Limited (NCPL), 17-B, Aziz Avenue, Canal Bank, Gulberg V, Lahore

DECISION OF THE AUTHORITY IN THE MATTER OF REIMBURSEMENT OF 7.5% WITHHOLDING TAX ON DIVIDENDS FOR NISHAT CHUNIAN POWER LIMITED

1. Pursuant to the decision of the Authority dated December 31, 2010 in the matter of adjustment at Commercial Operation Date in the case of Nishat Chunian Power Limited (NCPL), decision of the Authority dated April 2, 2021 in the matter of application filed by CPPA-G for adjustment of ROE & ROEDC components pursuant to signing of the master agreement with NCPL and decision of the Authority dated May 27, 2025 in the matter of joint application filed by CPPA-G and NCPL for reduction in tariff components notified vide S.R.O. No. 1323(I)/2025 on July 14, 2025, withholding tax on dividend is a pass through item and the power purchaser shall make payment on account of withholding tax at the time of actual payment of dividend as hourly payment spread over a period of 12 months.

2. NCPL paid Rs. 39,709,372/- on account of withholding tax on dividends which is based on 7.5% for shareholders being in the active tax taxpayer list (ATL) and 15% for some of the shareholders being not in the ATL. However, NCPL requested Rs. 38,839,190/- on account of withholding tax on dividends to the extent of 7.5%.

3. The Authority in its collective and joint wisdom considering all aspects decided with consensus as under; which shall be hereinafter called as the decision of the Authority in the matter:

   "Based on the information and documentary evidence(s) provided by NCPL, the Authority hereby allow NCPL to claim Rs. 0.0227/kW/h from Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) i.e. Power Purchaser for the period of July 1, 2026 to June 30, 2027 as a pass-through on the basis of Rs. 38,839,190/- paid as 7.5% withholding tax on dividends."

4. The above decision of the Authority along with revised schedule attached as **Annex-I** are to be notified in the official Gazette in accordance with the provisions of section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997 (XL of 1997).

5. CPPA (G) to ensure that all payments are consistent with the tariff determination.

AUTHORITY

Amina Ahmed
Member

Engr. Maqsood Anwar Khan
Member

Waseem Mukhtar
Chairman

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

Annex-I

NISHAT CHUNIAN POWER LIMITED
REIMBURSEMENT OF 7.5% WITHHODING TAX ON DIVIDENDS

Tax Challan #	Payment Date	Dividend Amount agst. which Tax is Being Withheld	Withholding Tax Amount Paid		Withholding Tax Amount Requsted/Allowed	
		(Rs)	Tax Rate	(Rs)	Tax Rate	(Rs)
IT-20260604-0101-1118515	04-Jun-26	132,941,990	7.50%	9,970,649	7.50%	9,970,649
IT-20260604-0101-1118514		125,038,935	7.50%	9,377,920	7.50%	9,377,920
IT-20260604-0101-1118513		248,272,503	7.50%	18,620,438	7.50%	18,620,438
		10,886,686	15.00%	1,740,365	7.50%	870,182
		517,140,114		**39,709,372**		**38,839,190**

Calculation of Hourly Rate:		
Withholding tax on dividend	Rs.	38,839,190
Capacity	kW	195,722
Hours in a year	No.	8,760
Tariff component of withholding tax on dividend (1st July 2026 to 30th June 2027)	Rs./kW/Hour	0.0227
Carry Forward of Unclaimed Dividend Tax:		**Rs**
Balance Carried Forward for 14th Agreement Year (21st July 2023 to 20th July 2024) (As per decision No. NEPRA/TRF-70/NCPL-2007/3902-06 dated 17 March 2025)		108,211,998
Maximum Limit for 15th Agreement Year (21st July 2024 to 20th July 2025)		56,602,723
Maximum Limit for 16th Agreement Year (21st July 2025 to 20th July 2026)*		37,139,177
Less:		
Less claimed during 16th Agreement Year (Interim Dividend @ 15% for Financial Year 2026)		(38,839,190)
Less un-claimable due to exemption of withholding tax on dividend**		(2,541,019)
Balance Carried Forward		**160,573,690**

*Under the Hybrid Take & Pay arrangement for ROE/ROEDC, limit has been calculated on fixed 35% payment. In case, NCPL delivers NEO exceeding 35% of total contact capacity, the limit shall be adjusted accordingly on the basis of documnetary evidences.

**Out of 367,346,939 paid-up shares, 22,589,054 shares at the time of payment of Interim Dividend 2026 @ Rs. 1.5/share were exempt from withholding tax on dividends. Accordingly the carry forward of unclaimed withholding tax on dividends has been reduced to the extent of dividends paid to them.

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NEPRA AUTHORITY

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